

AKIN GUMP STRAUSS HAUER & FELD LLP

Ira Dizengoff

Arik Preis

Mitchell Hurley

Sara L. Brauner

One Bryant Park

New York, New York 10036

Telephone: (212) 872-1000

Facsimile: (212) 872-1002

idizengoff@akingump.com

apreis@akingump.com

mhurley@akingump.com

sbrauner@akingump.com

*Counsel to the Official Committee of Unsecured
Creditors of Purdue Pharma L.P., et al.*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	
)	Chapter 11
PURDUE PHARMA L.P., <i>et al.</i> ,)	
)	Case No. 19-23649 (RDD)
Debtors. ¹)	
)	(Jointly Administered)

**SECOND AMENDED VERIFIED STATEMENT OF THE OFFICIAL COMMITTEE
OF UNSECURED CREDITORS OF PURDUE PHARMA L.P., *ET AL*
PURSUANT TO BANKRUPTCY RULE 2019 TO DISCLOSE
ADDITION OF THIRD *EX OFFICIO* MEMBER**

¹ The Debtors in these cases, along with the last four digits of each Debtor's registration number in the applicable jurisdiction, are as follows: Purdue Pharma L.P. (7484), Purdue Pharma Inc. (7486), Purdue Transdermal Technologies L.P. (1868), Purdue Pharma Manufacturing L.P. (3821), Purdue Pharmaceuticals L.P. (0034), Imbrium Therapeutics L.P. (8810), Adlon Therapeutics L.P. (6745), Greenfield BioVentures L.P. (6150), Seven Seas Hill Corp. (4591), Ophir Green Corp. (4594), Purdue Pharma of Puerto Rico (3925), Avrio Health L.P. (4140), Purdue Pharmaceutical Products L.P. (3902), Purdue Neuroscience Company (4712), Nayatt Cove Lifescience Inc. (7805), Button Land L.P. (7502), Rhodes Associates L.P. (N/A), Paul Land Inc. (7425), Quidnick Land L.P. (7584), Rhodes Pharmaceuticals L.P. (6166), Rhodes Technologies (7143), UDF L.P. (0495), SVC Pharma L.P. (5717) and SVC Pharma Inc. (4014). The Debtors' corporate headquarters is located at One Stamford Forum, 201 Tresser Boulevard, Stamford, CT 06901.

1. Pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), the Official Committee of Unsecured Creditors (the “Official Committee”) appointed in the chapter 11 cases of Purdue Pharma L.P., *et al.* (collectively, the “Debtors”) hereby submits this amended verified statement (the “Second Amended Verified Statement”) to identify and disclose information regarding the addition of a third *ex officio* member to the Official Committee. Specifically, the Official Committee has agreed to add certain public school districts (collectively, the “Public School Districts”) to serve on the Official Committee in an *ex officio* capacity in addition to the Multi-State Group and the Native American Tribes (each as defined below). The Multi-State Group, the Native American Tribes and the Public School Districts are collectively referred to herein as the “Ex Officio Members.”

2. On the afternoon of Thursday, September 26, 2019, the United States Trustee for Region 2 appointed nine creditors to serve on the Official Committee to act as the fiduciary for all such creditors, pursuant to section 1102 of title 11 of the United States Code (the “Bankruptcy Code”). As set forth in the Official Committee’s Initial Verified Statement (as defined below), the Official Committee, as originally constituted, comprised the following entities and persons: (1) The Blue Cross and Blue Shield Association; (2) CVS Caremark Part D Services L.L.C. and CaremarkPCS Health, L.L.C.; (3) Ryan Hampton; (4) Cheryl Juaire; (5) LTS Lohmann Therapy Systems, Corp.; (6) Pension Benefit Guaranty Corporation; (7) Walter Lee Salmons; (8) Kara Trainor; and (9) West Boca Medical Center.

3. On October 5, 2019, the Official Committee filed the *Verified Statement of the Official Committee of Unsecured Creditors of Purdue Pharma L.P., et al. Pursuant to Bankruptcy Rule 2019* [ECF No. 218] (the “Initial Verified Statement”) in accordance with Bankruptcy Rule 2019.

4. On October 9, 2019, the Official Committee received a letter from counsel to a multi-state group comprising approximately 1,222 entities, including 1,172 cities, counties and other governmental entities, seven Native American tribal nations, six hospitals, two districts, 34 medical groups, two funds, and one veterans' class across 36 states, representing the interests of approximately 60,000,000 individuals (the "Multi-State Group")² requesting the opportunity to join the Official Committee in an *ex officio* capacity. After careful consideration, on October 21, 2019, the Official Committee determined to grant the Multi-State Group's request, and the Multi-State Group designated Cameron County, Texas to act as an *ex officio* member of the Official Committee. On November 1, 2019, the Official Committee filed the *Amended Verified Statement of the Official Committee of Unsecured Creditors of Purdue Pharma L.P., et al Pursuant to Bankruptcy Rule 2019* [ECF No. 414] (the "First Amended Verified Statement") to disclose the addition of the Multi-State Group.

5. On October 9, 2019, the Native American Tribes filed a motion requesting entry of an order directing the U.S. Trustee to appoint an official committee of Native American affiliated creditors comprising Native American tribes, tribal members and/or support organizations, health organizations or clinics that serve Native American communities.³ Noting that the Native American population has been impacted disproportionately by the opioid crisis, the Native American Tribes asserted that tribal interests in these cases were not represented by the Official Committee or by states or their political subdivisions, and therefore, a separate official committee of Native American creditors was necessary to ensure that their interests would be adequately

² On October 30, 2019, the Multi-State Group filed the *Verified Statement of the Multi-State Governmental Entities Group Pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure* [ECF No. 409], disclosing the identity of each member of the group.

³ See *Motion Seeking Appointment of an Official Committee of Native American And Native American Affiliated Creditors* [ECF No. 276] (the "Native American Tribes Motion").

represented. *Id.* ¶¶ 2-6. Shortly after the filing of the Native American Tribes Motion, the Official Committee’s advisors engaged in discussions with counsel to the Native American Tribes and the U.S. Trustee to determine whether the Native American Tribes Motion could be resolved consensually, including by, among other things, adding the Native American Tribes as an *ex officio* member of the Official Committee. After careful consideration, on November 4, 2019, the Official Committee determined to invite the Native American Tribes to serve as an *ex officio* member of the Official Committee. In connection with this appointment, the Native American Tribes appointed the Cheyenne and Arapaho Tribes to serve as an *ex officio* member of the Official Committee and agreed to withdraw the Native American Tribes Motion on November 6, 2019. Counsel for the Official Committee disclosed the addition of the Native American Tribes on the record of the November 6, 2019 hearing. *See* Transcript of Nov. 6, 2019 Hearing at 60:9–18 (“I’m going to get to another development which happened two days ago, which has not been public up until now, which is, we’ve added the Native American tribes who filed a motion to appoint an official creditor’s committee . . . as an ex-officio member. And in response they’re going to withdraw their motion to appoint an official committee.”).⁴

6. On March 30, 2020 and April 13, 2020, the Public School Districts filed motions (collectively, the “Public School District Mediation Motions”) to participate in the ongoing mediation on behalf of the class of Public School Districts.⁵ On April 21, 2020, the Public School Districts and multiple parties in interest, including the Official Committee and the Debtors, agreed

⁴ In light of this substantially contemporaneous disclosure, the Official Committee did not file an amended statement pursuant to Bankruptcy Rule 2019 at that time.

⁵ *Creditor Board of Chicago School District No. 299’s Motion to Submit Claim to Mediation* [ECF No. 998]; *Creditors the Board of Education of Thornton Township High School District 205, the Board of Education of Thornton Fractional Township High School District 2015, and the Board of Education of East Aurora School District 131’s Motion to Submit Claims of Independent Public School Districts to Mediation* [ECF No. 1038].

to a stipulation resolving the Mediation Motions, which the Court approved that same day.⁶ On June 2, 2020, the Public School Districts filed a motion to apply Federal Rule of Bankruptcy Procedure 7023 to their proofs of claim and certify a class under Rule 23(b)(1)(B) of the Federal Rules of Civil Procedure.⁷ In the course of discussions between the Public School Districts and the Official Committee regarding the Public School District Mediation Motions and the Public School District Class Motion, the Public School Districts expressed an interest in serving as *ex officio* members of the Official Committee. After careful consideration and consistent with the Official Committee's fiduciary obligations to all creditors, at the June 18, 2020 meeting of the Official Committee, the Official Committee determined to extend a formal invitation to the Public School Districts to serve as an *ex officio* member of the Official Committee. The Public School Districts accepted this invitation on June 19, 2020. In connection with this appointment, the Public School Districts appointed Thornton Township High School District 205 to serve as an *ex officio* member of the Official Committee.

Composition of the Official Committee of Unsecured Creditors

7. The Official Committee members now include the following broad cross-section of unsecured creditors:

- **The Blue Cross and Blue Shield Association** ("BCBS Association"), a national association of 36 independent community-based Blue Cross and Blue Shield companies. The BCBS Association and its members provide healthcare coverage to one-third of all Americans. The BCBS Association and its

⁶ *Stipulation and Agreed Order Resolving the Board of Education of Thornton Township High Schools, Illinois District No. 205, the Board of Education of Thornton Fractional Township High Schools, Illinois District No. 215, and the Board of Education of East Aurora, Illinois School District No. 131's Motion to Submit Claims of Independent Public School Districts to Mediation* [ECF No. 1073].

⁷ *See Motion by Public School Districts for an Order Allowing Them to Proceed with a Class Proof of Claim and Certifying a Class* [ECF No. 1211] (the "Public School District Class Motion"). The Public School District Class Motion has been adjourned to the July 23, 2020 hearing. *Notice of Adjournment of June 23, 2020 Hearing of the Public School Districts' Motion for an Order Allowing Them to Proceed with a Class Proof of Claim and Certifying a Class* [ECF No. 1283].

- members' unliquidated claims arise from payments of excessive amounts for prescription medications used by members of the health plans they administer, and for other amounts paid for the treatment of illnesses, injuries, and addiction sustained by members from consumption of the Debtors' drugs, and costs that would not have been incurred but for the actions of the Debtors.
- **CVS Caremark Part D Services L.L.C. and CaremarkPCS Health L.L.C.** (together, "Caremark") are trade creditors that are parties to certain rebate agreements with Purdue Pharma L.P. (together with its affiliates, "Purdue"). Caremark possesses various claims against Purdue, including for unpaid rebates owed by Purdue to Caremark under the rebate agreements for certain drugs manufactured or developed by Purdue and included in Caremark's formulary for eligible beneficiaries of prescription drug plans.
 - **Ryan Hampton** was a staffer at the White House in the Clinton administration and became addicted to OxyContin and other prescription opioids. He eventually became homeless and addicted to heroin. After numerous relapses and overdoses, he eventually overcame his addiction. He founded the Voices Project to spread awareness about addiction and provide support to people suffering from addiction, their friends, and families. Hampton is also an author on addiction and an expert in addiction recovery public policy, stemming from his days as a political and community organizer for various non-profit and political organizations. Hampton's claims are not liquidated and, when filed, will include claims based on personal injury, including damages for inducing the unnecessary prescription of opioid medication, resulting in severe personal injury, addiction, overdoses, lost wages, and emotional injury.
 - **Cheryl Juairé's** son Corey became addicted to prescription opioids, including those manufactured by the Debtors, after a hernia operation. His dependence worsened over time, and in 2011, Juairé's son died of an overdose at the age of 23, leaving behind a young daughter, for whom Cheryl is guardian *ad litem*. Juairé founded Team Sharing—Massachusetts, a support group for family members who have lost loved ones due to addiction, which has since become a nationwide support network. Through her work with Team Sharing and contact with her state's attorney general, Juairé learned of the Debtors' conduct years after her son's death. Juairé's unliquidated claims comprise as-yet unfiled litigation claims based on the wrongful death of her son and loss of filial consortium.
 - **LTS Lohmann Therapy Systems, Corp.**, with its affiliate LTS Lohmann Therapie-Systeme AG (together, "LTS") are trade creditors and are engaged in the development and manufacture of innovative drug delivery systems such as transdermal patches and oral thin films for the pharmaceutical industry, which treat chronic pain as well as opioid addiction and dependence. For Purdue, LTS manufactures a transdermal patch that delivers around-the-clock treatment of moderate to severe chronic pain. The Debtors market and sell such patches

under the Butrans brand and generically. LTS has several contracts with Purdue and is paid for the production of the patches and royalty fees based upon the Debtors' sales of the patches.

- **Pension Benefit Guaranty Corporation** (“PBGC”) is a wholly owned United States government corporation and agency created by the Employee Retirement Income Security Act of 1974 (“ERISA”). PBGC’s unliquidated claims arise from statutory ERISA claims for unfunded benefit liabilities, unpaid minimum funding contributions, and unpaid Title IV insurance premiums owed with respect to each PBGC-insured pension plan.
- **Walter Lee Salmons’s** daughter became addicted after being prescribed opioids, including those manufactured by the Debtors, while recovering from an automobile accident. As a result of her opioid dependency during pregnancy, Salmons’s two grandchildren, which he raises along with his daughter, were born with NAS. Salmons, along with his family members, seek to be named as class representatives in a lawsuit seeking to establish a medical monitoring program for children born addicted to opioids and securing compensation for those children. Salmons’s unliquidated claims comprise a putative class action filed in the multi-district litigation (the “MDL”) currently pending in the Northern District of Ohio seeking medical monitoring and personal injury damages.⁸
- **Kara Trainor’s** son was exposed to opioids in utero as a result of her use of opioids prescribed to her. When Trainor’s son was born, he exhibited signs of, and was diagnosed with, NAS. As a result, he spent the first months of his life in an intensive care unit being treated for drug addiction withdrawal, and mental and physical issues and ailments, including developmental delays, vision problems, and incontinence. Trainor’s son faces a lifetime of latent medical and emotional conditions, including brain damage, muscular-skeletal developmental disorders, speech and language disorders, cognitive developmental disorders, psychiatric disorders, emotional development disorders, behavioral disorders, and increased risk of addiction. Trainor filed an action against Purdue alleging numerous causes of action: public nuisance; negligence; breach of implied warranty; breach of implied warrant for fitness for a particular purpose; fraudulent misrepresentation; fraudulent concealment; negligent misrepresentation; strict products liability for failure to warn; negligence for failure to warn; products liability; and punitive damages.⁹
- **West Boca Medical Center and its affiliates** (“West Boca”) are part of Tenet Healthcare, one of the largest hospital systems in the United States. West Boca

⁸ *Salmons v. Purdue Pharma, et al.*, Case No. 18-op-45268 (N.D. Ohio).

⁹ *Trainor as Next Friend v. Purdue Pharma L.P.*, Case No. 2019-L-010077 (Ill. Cir. Ct., Cook County).

filed a complaint¹⁰ in the MDL.¹¹ The action commenced by West Boca asserts multiple causes of action against the Debtors, including RICO violations, deceptive and unfair trade practices, misleading advertising, breach of implied warranty, negligence, nuisance and unjust enrichment, and was selected as the bellwether for hospital cases in the MDL.

Ex Officio Members

- **Cameron County, Texas** has been nominated by the Multi-State Group to serve as its representative and sit as an *ex officio* member of the Official Committee. The Multi-State group comprises 1,222 entities, including 1,172 cities, counties and other governmental entities, seven Native American tribal nations, six hospital, two districts, 34 medical groups, two funds, and one veterans' class across 36 states. The members of the Multi-State Group represent a cumulative population of approximately 60,000,000 individuals impacted by the opioid crisis and have brought numerous and varied claims, including class actions, against the Debtors and their shareholders.
- **The Cheyenne and Arapaho Tribes** have been nominated by the Native American Tribes to sit as an *ex officio* member of the Official Committee. The Native American Tribes represent approximately 75,000 members and a collective land mass slightly larger than the State of Delaware. The Native American Tribes are sovereign entities that carry out a broad range of governmental services, including health care, law enforcement, tribal courts, education, social services, and child welfare programs. The Native American Tribes assert that they have been impacted more gravely by the opioid crisis than any other segment of American society, and have a desperate need to abate the opioid scourge that has disproportionately scarred Native American populations and strained their resources to a breaking point.
- **Thornton Township High School District 205** in Illinois has been selected by the Public School Districts to serve as their representative and sit as an *ex officio* member of the Official Committee. The Public School Districts, which include, in addition to Thornton Township High School District 205, Miami-Dade County Public Schools in Florida; Bullitt County School District, Hart County Schools, LaRue County Schools, Martin County Schools, and Owsley County School District in Kentucky; East Aurora School District 131, Thornton Fractional High School District 215, and Joliet Township High School District 204 in Illinois; and Gallup-McKinley County School District and Eunice Public Schools in New Mexico, seek to represent a class of approximately 13,000 school districts nationwide. The Public School Districts assert significant claims for damages against the Debtors, including the increased cost of special

¹⁰ *West Boca Medical Ctr., Inc. v. AmerisourceBergen Drug Corp.*, Case No. 18-op-45530 (N.D. Ohio). Other Tenet subsidiaries and West Boca Affiliates are also plaintiffs in other lawsuits.

¹¹ *In re National Prescription Opiate Litigation*, Case No. 17-md-02804 (N.D. Ohio).

education and supplementary services to children with disabilities due to prenatal opioid exposure.

8. In accordance with Bankruptcy Rule 2019, attached hereto as **Exhibit A** is a list of the names and addresses of, and the nature and amount of all disclosable economic interests held by, each Official Committee member, including the Ex Officio Members, directly or through entities managed or advised by such Official Committee member, in relation to the Debtors. The claims and claim amounts set forth in this Amended Verified Statement and on Exhibit A have been provided by the applicable Official Committee member, and by filing this Amended Verified Statement, the Official Committee makes no representation with respect to the amount, allowance, validity, secured status, or priority of such claims and reserves all rights with respect thereto.

9. Nothing contained in this Second Amended Verified Statement (or Exhibit A hereto) should be construed as a limitation upon, or waiver of any Official Committee member's rights to assert, file, and/or amend its claim(s) in accordance with applicable law and any orders entered in these cases establishing procedures for filing proofs of claim.

10. The Official Committee reserves the right to amend or supplement this Second Amended Verified Statement in accordance with the requirements set forth in Bankruptcy Rule 2019.

New York, New York
Dated: June 22, 2020

AKIN GUMP STRAUSS HAUER & FELD LLP

/s/ Arik Preis

Ira Dizengoff

Arik Preis

Mitchell Hurley

Sara L. Brauner

One Bryant Park

New York, New York 10036

Tel: (212) 872-1000

Fax: (212) 872-1002

Email: idizengoff@akingump.com

apreis@akingump.com

mhurley@akingump.com

sbrauner@akingump.com

*Counsel to the Official Committee of Unsecured
Creditors of Purdue Pharma L.P., et al.*

Exhibit A

Name	Address	Nature and Amount of Disclosable Economic Interests ¹
The Blue Cross and Blue Shield Association	1310 G Street NW Washington, DC 20005	Unliquidated unsecured claim of at least between \$68.8 billion and \$78.6 billion.
CVS Caremark Part D Services L.L.C. and CaremarkPCS Health, L.L.C.	2211 Sanders Road, NBT-9 Northbrook, IL 60062	Combined unsecured claims of in excess of \$60 million plus unliquidated amounts, subject to further analysis and reconciliation.
Ryan Hampton	c/o Anne Andrews Andrews Thornton 4701 Von Karman, Suite 300 Newport Beach, CA 92660	Unliquidated unsecured claim on the basis of personal injury, including addiction, overdoses, lost wages, and emotional injury.
Cheryl Juaire	c/o Anne Andrews Andrews Thornton 4701 Von Karman, Suite 300 Newport Beach, CA 92660	Unliquidated unsecured claim on the basis of wrongful death.
LTS Lohmann Therapy Systems Corp.	21 Henderson Dr. West Caldwell, NJ 07006	Unsecured claims totaling an estimated \$3,300,000.
Pension Benefit Guaranty Corporation	1200 K Street NW Washington, DC 20005-4026	Unliquidated unsecured claim of at least \$139,000,000.
Walter Lee Salmons	c/o Kevin W. Thompson 2030 Kanawha Blvd. E., Charleston, WV 25311	Unliquidated unsecured class claim on the basis of medical monitoring costs and unliquidated unsecured class claim for direct compensation to each NAS victim.

¹ To the best of counsel's knowledge, the information included herein is accurate as of June 22, 2020.

Name	Address	Nature and Amount of Disclosable Economic Interests ¹
Kara Trainor	c/o Celeste Brustowicz Cooper Law Firm, LLC 1525 Religious Street New Orleans, LA 70130	Unliquidated unsecured claim for medical, physical, and addiction monitoring, and unliquidated unsecured claim for personal injuries.
West Boca Medical Center	21644 Florida Highway Boca Raton, FL 33428	Unliquidated unsecured claim of at least \$7 billion.
Ex Officio Members		
Cameron County, Texas	c/o Juan A. Gonzalez Cameron County Courthouse Civil Legal Division East Monroe Street Brownsville, Texas 78520	Unliquidated claims.
Cheyenne and Arapaho Tribes	c/o Sander L. Esserman Stutzman, Bromberg, Esserman & Plifka 2323 Bryan Street, Ste. 2200 Dallas, Texas 75201	Unliquidated claims.
Thornton Township High School District 205 in Illinois	c/o Cyrus Mehri Mehri & Skalet, PLLC 1250 Connecticut Ave., NW Ste. 300 Washington, DC 20036	Unliquidated claims.